

-- 66. (new) A composition as set forth in claim 65 wherein the cancellous bone is milled to 0.1-1.5 mm in its longest diameter.

-- 67. (new) A composition as set forth in claim 56 wherein the hyaluronic acid is present at 10-80% (w/w), the cancellous bone is present at 10-40% (w/w), and the demineralized bone matrix is present at 5-30%.

-- 68. (new) A composition as set forth in claim 56 further comprising a compound selected from the group consisting of vascular endothelial growth factor, bone morphogenetic proteins, fibroblast growth factors, tumor necrosis factor, endothelial cell growth factors, platelet derived growth factors, transforming growth factors, placental growth factors, granulocyte colony-stimulating growth factors, insulin growth factors, interleukins, cytokines, antibiotics and vitamins.

-- 69 (new) A composition as set forth in claim 68 further comprising vascular endothelial growth factor.

-- 70 (new) A composition as set forth in claim 69 wherein the vascular endothelial growth factor is present at  $10^6$  to 30 mg/ml.

-- 71. (new) A composition as set forth in claim 65 further comprising a non-decalcified bone matrix present at 5-30%.

-- 72. (new) A method of inducing bone formation in a vertebrate comprising applying an effective amount of a composition comprising a mixture of hyaluronic acid, cancellous bone, and demineralized bone matrix to a site in the vertebrate where bone formation is desired.

-- 73. (new) A method of inducing bone formation in a vertebrate as set forth in claim 72 wherein the cancellous bone is present at 10-50% (w/w).

--74. (new) A method of inducing bone formation in a vertebrate as set forth in claim 72 wherein the hyaluronic acid is present at 10-80% (w/w), the cancellous bone is present at 10-40% (w/w), and the demineralized bone matrix is present at 5-30%.

--75. (new) A method of filling a bone defect comprising filling the bone defect with a composition comprising a mixture of hyaluronic acid, cancellous bone and demineralized bone.

--76. (new ) A method of filling a bone defect as set forth in claim 75 wherein the bone defect comprises a spinal disc.